
The Great Disruption

The sudden and unexpected hike of 2.5% in the gold import duty to 12.5% has caught the industry by surprise. Following the announcement, a wave of disappointment swept through an already beleaguered industry, which is beset with challenges. Gold analyst Sanjiv Arole pens this month's Cover Story which examines the repercussions of the hike in depth. He notes that the high incidence of import duty as well as GST renders the domestic market uncompetitive to boost exports or even be innovative in its products.

The industry had some reason to cheer as the Finance Ministry declared that the Integrated Goods and Services Tax (IGST) will not be levied on gems and jewellery taken out of India for exhibition purposes or on consignment basis. This was the result of several representations made by the GJEPC in this regard to the Finance Ministry, Department of Revenue, and the Central Board of Indirect Taxes & Customs.

Moreover, India became one of the first countries to adopt distinct HS Codes for rough and polished lab-grown diamonds, which will undoubtedly strengthen the Council's efforts to maintain the integrity of the natural diamond pipeline, while enhancing transparency and disclosure throughout the synthetic diamond pipeline.

In an exclusive interview, DPA CEO Jean-Marc Lieberherr shares details about the recently published Trucost study, which, for the first time ever, quantifies the diamond industry's socio-economic benefits at \$16 billion. Turn to Global Eye to read more about it.

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